A FOODSERVICE OPERATOR'S GUIDE TO BENEFIT PLANS FOR HOURLY WAGE EMPLOYEES

1982

National Restaurant Association
311 First Street, NW
Washington, DC 20001

BENEFITS FOR HOURLY WAGE EMPLOYEES IN THE FOODSERVICE INDUSTRY - 1982

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Introduction

This survey on benefits for non-exempt employees in the foodservice industry was conducted for the National Restaurant Association by Laventhol & Horwath. Nearly 300 restaurant companies or hotels with restaurant operations received the questionnaire shown in the Appendix. Of these, 67 companies representing 74 chains responded. These 67 companies comprised over 17,000 units, nearly 450,000 hourly employees and well over $7 billion in sales.

Information on 16 different benefits listed in the Summary on page 4 was submitted for non-exempt personnel only. These employees are paid by the hour and are primarily in nonsupervisory jobs. All responses have been analyzed for the total sample and for the five breakdowns as listed in the Profile of Contributors on page 33.

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EXECUTIVE SUMMARY

Meals, uniforms and paid vacations are the most frequently provided benefits for nonsupervisory employees, offered by 95 percent of the chain respondents.

Medical plans are provided by 88 percent.

The majority of respondents provide a basic, surgical and major medical plan.

Four out of ten companies provide a dental plan, a relatively high proportion for a benefit that was rarely seen a few years ago.

Eight out of ten companies provide group life insurance which varies in coverage fron $2,000 to over $6,000.

Slightly less than half the companies offer a profit sharing or thrift savings plan to hourly employees.

One fourth of the participating foodservice companies provide a pension plan, but only one company requires that employees contribute to the cost of this benefit.

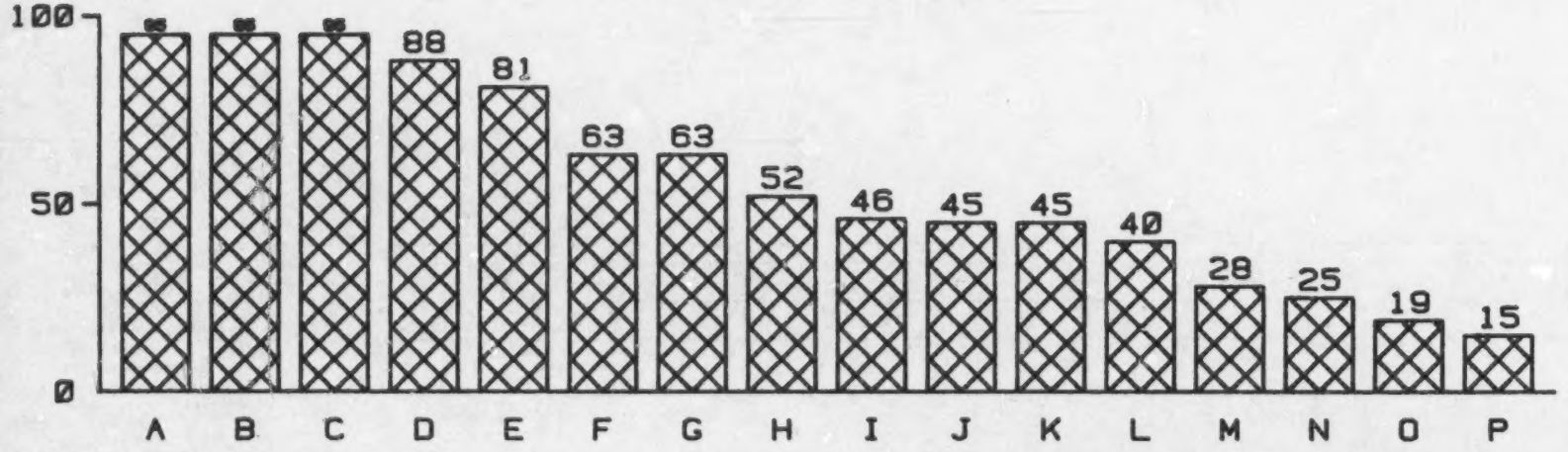
Stock purchase plans are the benefit least likely to be offered to hourly employees.

Three out of ten companies offer assistance to employees with related educational experience.

GRAPH I

PERCENT OF RESPONDENTS THAT PROVIDE EACH BENEFIT

(100% = 67 COMPANIES)



A=MEALS
B=UNIFORMS
C=PAID VACATION
D=MEDICAL PLAN
E=GROUP LIFE INSURANCE
F=PAID HOLIDAYS
G=ACCIDENTAL DEATH/DISMEMBER. INS.
H=PAID LEAVE FOR JURY DUTY
I=PROFIT SHARING/THRIFT SAVINGS
J=PAID SICK LEAVE
K=PAID LEAVE FOR DEATH IN FAMILY
L=DENTAL PLAN
M=EDUCATION ASSISTANCE
N=PENSION PLAN
O=PAID MATERNITY LEAVE
P=STOCK PURCHASE

TABLE I

Summary - Percent of respondents that provide each of the following benefits to their non-exempt employees.

	Total (100% = 67)		ANNUAL COMPANY OPERATED SALES (100% = 27)	(100% = 14)	(100% = 12)	NUMBER OF UNITS IN OPERATION (100% = 26)	(100% = 18)	(100% = 10)	(100% = 13)	SCOPE OF OPERATION (100% = 12)	(100% = 17)	(100% = 27)	(100% = 11)
	Number of Respondents	Percent of Total Respondents	Less than $50 million	$50 million to $300 million	Over $300 million	Fewer than 75 units	75 to 200 units	201 to 600 units	Over 600 units	Local or Several Localities	Regional	National	International
Meals	64	95%	100%	79%	100%	100%	94%	90%	92%	100%	100%	89%	100%
Uniforms	64	95	93	93	100	92	100	100	92	92	94	96	100
Paid vacation	64	95	96	93	92	100	100	90	85	100	100	96	82
Paid holidays	42	63	56	50	75	62	61	70	62	75	57	67	64
Paid sick leave	30	45	52	29	50	54	50	20	38	58	47	41	36
Paid time off for death in employee's family	30	45	48	14	50	58	39	20	46	67	41	33	54
Paid maternity leave	13	19	15	14	25	19	28	20	8	17	23	18	18
Paid leave for jury duty	35	52	56	29	42	62	56	30	46	67	53	44	54
Medical plan	59	88	89	71	92	100	83	80	77	100	88	85	82
Dental plan	27	40	52	7	50	54	50	40	23	58	35	33	45
Group life insurance	54	81	74	64	92	85	78	80	77	83	82	78	82
Accidental death and dismemberment insurance	42	63	59	43	67	65	67	60	54	75	53	59	73
Profit sharing/thrift savings plan	31	46	41	57	50	50	44	50	38	42	41	56	36
Pension plan	17	25	11	43	42	19	22	40	31	25	23	22	36
Stock purchase	10	15	11	21	25	12	11	30	23	100	23	15	27
Education assistance	19	28%	26%	14%	25%	31%	44%	10%	15%	33	18	26	45

Meals- (Table I)

Number of companies that provide meals to employees:	64 companies 95.5% of total
Of these 64 companies:	
Number of companies that provide these meals free:	21 companies
Number of companies that charge employees for meals:	43 companies

Of the 43 companies that charge employees for meals, the average discount given is 44.8% and the average price per meal is $1.43.

Number of companies that give discounts for non-work-related meals:	19 companies 28.4% of total

Of the 19 companies that give discounts for non-work related meals, the average discount given is 27.9%.

Out of the 67 companies reporting, 95.5 percent provide meals for their non-exempt employees. Only one-third of these provide these meals free, however. For the 43 companies that do charge something for meals, 39 companies reported the discount they allowed for work-related meals. The average percentage discount reported was 44.8 percent, ranging from 10 percent to 50 percent. Fifteen of the companies that charge employees for meals provide these meals at an established discount, depending on the type of meal. Only 28.4 percent of the respondents give their non-exempt employees discounts for non-work-related meals, with an average discount per meal of 27.9 percent.

Uniforms - (Table I)

Number of companies that provide employees with uniforms:		64 companies 95.5% of total
Of these 64 companies:		
Number of companies that charge employees for uniforms:		5 companies
Number of companies that:	Clean employees uniforms	9 companies
	Do not clean uniforms but do provide a maintenance allowance for that purpose	9 companies
	Do not clean uniforms or provide an allowance	38 companies
	Other	8 companies

Of the 9 companies that provide a maintenance allowance, the average allowance reported is $ .51/day.

Of the 64 companies that provide uniforms, only five companies require a charge or a deposit by the employee. In general, these companies give the employee the first uniform or first three uniforms free and then charge for each successive uniform. One company requires that a $50 deposit be left by the employee. Over 60 percent of the companies that do provide uniforms make the employee totally responsible for cleaning their uniforms. Nine companies reported that they do clean the uniform and nine said that although they do not clean their employees' uniforms, they do provide a maintenance allowance for that purpose, an average of $.51 per day. Of the eight companies checking "other", two reported that although they do not clean front of the house uniforms, they do clean back of the house. Four companies provide washers and dryers on the premises for the employee's use. Two companies said that they increased the wage slightly in lieu of a cleaning allowance.

Vacation - (Table I)

Number of companies that provide employees with some paid vacation: 64 companies

95.5% of total

The 64 companies that do provide paid vacation reported the following median lengths of service for each of the amounts of vacation:

Amount of vacation	Median Length of Service
1 week	1 year
2 weeks	2 years
3 weeks	6 years
4 weeks	15 years
5 weeks	25 years
6 weeks	NA

Of the 64 companies that do provide paid vacation:

Number of companies that permit employees to accumulate unused vacation and carry it over to the following period: 8 companies

Number of companies that establish the vacation year according to:

The anniversary date of person's employment	48
The calendar year	8
The fiscal year	4
Other	4

Number of companies that have eligibility requirements for paid vacation: 43

Number of companies that use any of the following eligibility requirements:

Employee must be scheduled weekly (no set hours required)	7 companies
15 to 25 hours per week	10 companies
26 to 30 hours per week	4 companies
Over 30 hours per week	20 companies
Other	2 companies

Sixty-four of 67 companies reported that they do provide non-exempt employees with some paid vacation. The median years of service required for the various amounts of vacation are shown in the table on page 7. Eight of the 64 companies permit employees to accumulate unused vacation time and to carry it over to the following period. Of these eight, some reported that employees are allowed to accumulate vacation only after a certain number of years of service and most gave limits as to the number of days that could be carried over. The anniversary date of the person's employment establishes the vacation year for 48 companies. Four companies establish their vacation year using parameters other than anniversary date, calendar year or fiscal year. One uses the anniversary date of the union contract, one uses a year other than the fiscal or calendar and two use the number of hours worked to date by the employee.

The typical formula used to compute vacation time is the current hourly rate multiplied by the number of hours worked per week for the number of eligible vacation weeks due. Some companies compute the average hours worked over the last month, the last six months or the last year. Most cited maximum weekly hours allowed, usually 40 hours. A few companies compute vacation pay by taking a set percentage of the employee's gross pay (2 percent, 4 percent, 6 percent, etc.), depending on the number of years of service.

Of the 43 companies that have eligibility requirements for paid vacation, two reported "other", saying that a specific number of hours of work are required in either the fiscal or the calendar year.

Holidays - (Table I)

Number of companies that offer any holidays with pay: 42 companies
62.7% of the total

Of these 42 companies:

Number of companies that pay for holiday time that has been earned by an employee who terminates: 13 companies

Number of companies that pay for the following days off:

	Full Day Off	Half Day Off
New Year's Eve	--	2
New Year's Day	20	--
Washington's Birthday	5	--
Good Friday	2	--
Memorial Day	17	--
July 4th	20	--
Labor Day	18	--
Yom Kippur	1	--
Veteran's Day	--	--
Thanksgiving Day	35	--
Friday after Thanksgiving	5	--
Christmas Eve	3	3
Christmas Day	38	--
Other	12	--

In contrast to vacation benefits which are provided by 95 percent of the sample, only 62.7 percent of the sample, or 42 companies, offer any holidays with pay. The primary reason is that many of the restaurants in the sample never close for holidays so non-exempt employees are expected to work. The most frequently reported paid holidays are Christmas Day and Thanksgiving Day, followed by New Year's Day, July 4th, Memorial Day and Labor Day. Other holidays mentioned include the employee's birthday, anniversary of employment, optional floating holidays, employee's wedding anniversary and local holidays.

Sick Leave and Other Miscellaneous Leave with Pay - (Table I, Graphs II,III,IV,V)

Number of companies that provide time off for PAID SICK LEAVE: 30 companies
44.8% of the total

Of these 30 companies:

Number that use the following policies to determine the amount of time off:*

An established schedule	14 companies
An accrual method	14 companies
An informal arrangement with employee	1 company
Other	2 companies

*Does not add to 30 companies due to multiple answers.

Number of companies reporting the following sick leave policies:

Amount of time off: (number of days per year)		Amount of Service Required:	
2 days	1 company	3 months	2 companies
3 days	2 companies	6 months	4 companies
5 days	5 companies	1 year	5 companies
6 days	15 companies	2 years	1 company
7 days	2 companies		

Number of companies that provide time off with pay for a DEATH IN THE EMPLOYEE'S FAMILY: 30 companies
44.8% of the total

Average number of days allowed for paid leave for death in employee's family: 2.9 days

Number of companies that provide MATERNITY LEAVE WITH PAY: 13 companies
19.4% of the total

Average number of days allowed for paid maternity leave: 61.2 days

Number of companies that provide LEAVE WITH PAY FOR JURY DUTY: 35 companies
52.2% of the total

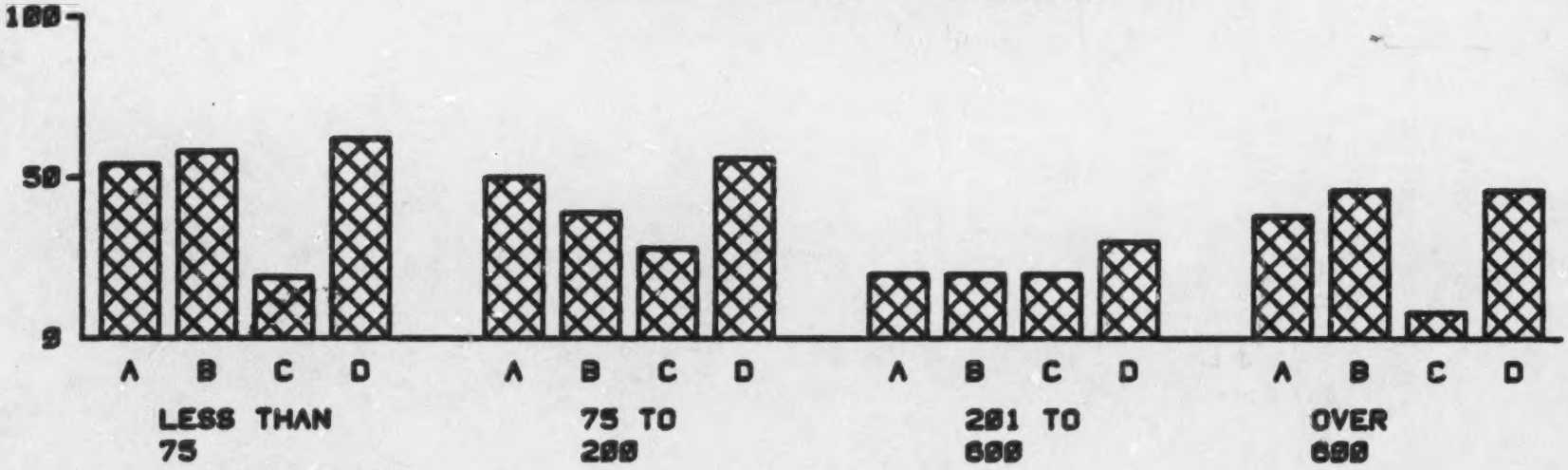
Less than half of the participating companies (30) provide non-exempt employees with paid sick leave. Of these 30 companies, 14 use an established schedule and 14 use an accrual method to determine the amount of time off.

Thirty companies said that they allowed time off with pay for a death in the family and that about 3 days were given. Only 19 percent of the respondents provide maternity leave with pay, with an average of two months allowed. Just above half of the companies provide leave with pay for jury duty. Most said that they pay the difference between jury pay and regular wages for the length of the jury duty.

GRAPH II

PERCENT OF RESPONDENTS THAT PROVIDE SICK LEAVE AND OTHER MISCELLANEOUS LEAVE WITH PAY

BY NUMBER OF UNITS IN OPERATION

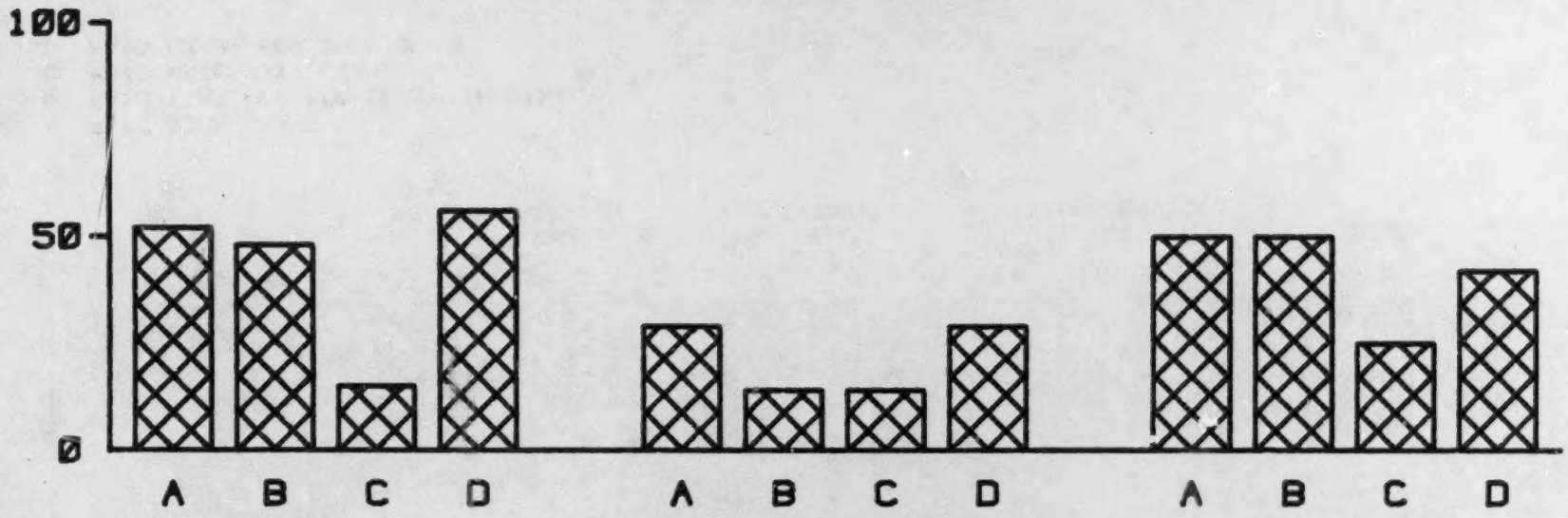


A PAID SICK LEAVE
B PAID TIME OFF FOR DEATH IN FAMILY
C PAID MATERNITY LEAVE
D PAID LEAVE FOR JURY DUTY

GRAPH III

PERCENT OF RESPONDENTS THAT PROVIDE SICK LEAVE AND OTHER MISCELLANEOUS LEAVE WITH PAY

BY SALES VOLUME

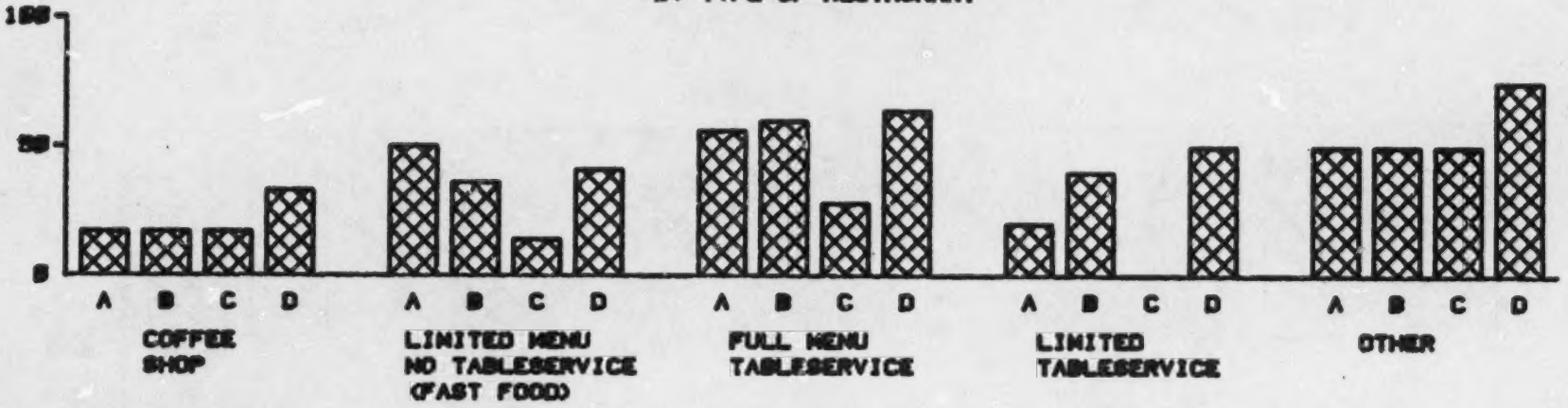


A PAID SICK LEAVE
B PAID TIME OFF FOR DEATH IN FAMILY
C PAID MATERNITY LEAVE
D PAID LEAVE FOR JURY DUTY

GRAPH IV

PERCENT OF RESPONDENTS THAT PROVIDE
SICK LEAVE AND OTHER MISCELLANEOUS
LEAVE WITH PAY

BY TYPE OF RESTAURANT



A PAID SICK LEAVE
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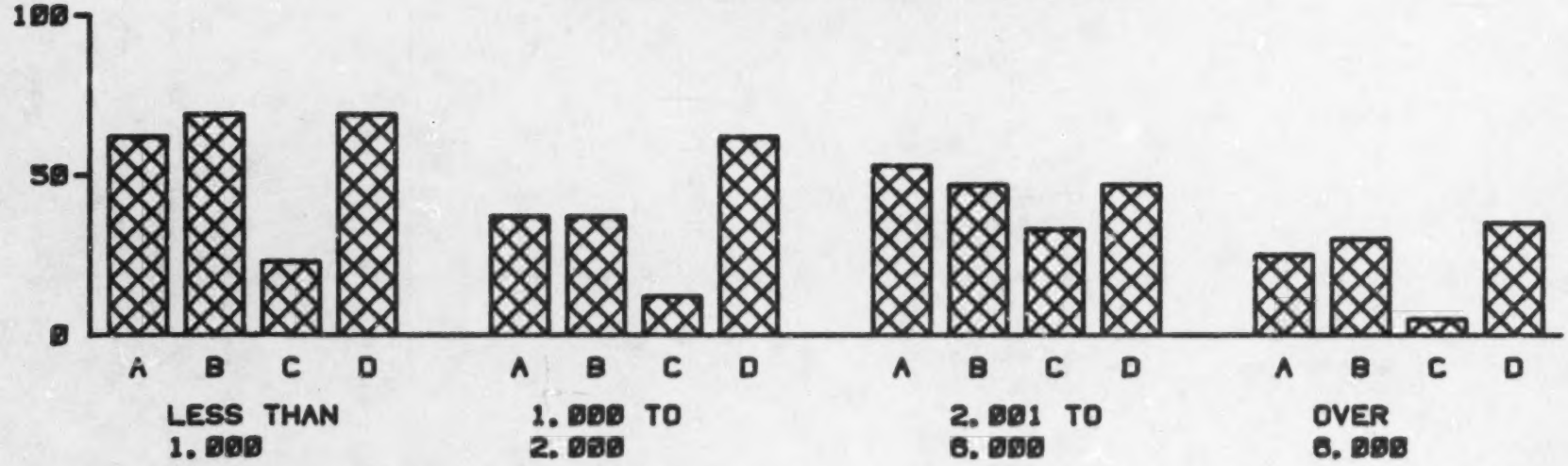
GRAPH V

PERCENT OF RESPONDENTS THAT PROVIDE
SICK LEAVE AND OTHER MISCELLANEOUS
LEAVE WITH PAY

BY NUMBER OF NON-EXEMPT EMPLOYEES



A PAID SICK LEAVE
B PAID TIME OFF FOR DEATH IN FAMILY
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Medical Plan - (Table I, Graphs VI,VII,VIII,IX)

Number of companies that provide some type of medical plan: 59 companies
88.1% of total

Of these 59 companies:
Number of companies that provide a basic, surgical and major medical plans:
47 companies

The following chart describes the typical plan reported by these 47 companies:

	Individual Deductible	Maximum Deduction Per Family Unit	Maximum Benefit Per Individual*	Co-Insurance Rate (%)	Stop-Pay Cut-Off
Minimum:	$ 25	$ 50	$ 10,000	50/50	$ 500
Mean:	$103	$241	$ 407,639	80/20	$11,023
Maximum:	$300	$900	$1,000,000	85/15	$30,000

* Five companies reported unlimited benefits per individual.

Of these 59 companies:
Number of companies that provide a comprehensive plan with a prescribed deductible after which the co-insurance rate is applied: 11 companies

The following chart describes the typical plan reported by these 11 companies:

	Individual Deductible	Maximum Deduction Per Family Unit	Maximum Benefit Per Individual*	Co-Insurance Rate (%)	Stop-Pay Cut-Off
Minimum:	$ 50	$100	$ 50,000	70/30	$ 500
Mean:	$122	$306	$ 683,333	80/20	$1,900
Maximum:	$300	$600	$1,000,000	100/0	$3,000

* Two companies reported unlimited benefits per individual.

Number of companies that:

Provide any other type of medical plan: 10 companies

Provide coverage for dependents of employees: 54 companies

Require a waiting period before the insurance takes effect: 55 companies
Average waiting period required: 124 days

Require a minimum level of work before the insurance takes effect: 54 companies
Average weekly hours required: 28 hours/week

Medical Plan continued:

Average cost of medical insurance to the employee:

For one individual: $3.19/ week

For family coverage: $11.01/ week

Number of companies that participate in the cost of employee medical coverage: 54 companies

Average percentage that the company contributes: 76%

Of these 54 companies 41 also participate in the cost of medical coverage for employee dependents:

Average percentage that the company contributes: 68%

Eighty-eight percent of the contributing companies provide some type of a medical plan to their non-exempt employees. Of these, 47 companies provide a basic, surgical and major medical plan while 11 provide a comprehensive plan with a prescribed deductible after which the co-insurance rate is applied. The typical plans submitted are summarized on the preceding page. Ten companies said that they provide other types of medical plans, citing HMO, long term disability, and basic hospitalization as examples. The majority of the companies require both a waiting period and a minimum amount of work before the insurance takes effect; the average is a four month waiting period and a minimum of 28 hours of service per week. Of the 34 companies explaining the restrictions associated with coverage of dependents, seven said they imposed no restrictions and the most frequent restriction mentioned by the remaining companies was that they cover dependents only up to age 19 or 23 years if a full time student.

Dental Plan - (Table I, Graphs VI,VII,VIII,IX)

Number of companies that offer a dental plan that covers both employees and dependents: 27 companies
40.3% of total

Average cost of the dental plan to the employee:
$ .96/week for employee-only coverage
$3.19/week for coverage of dependents

Number of companies that participate in the cost of the dental plan covering only the employee: 21 companies

Average percentage that the company contributes: 82.3%

Number of companies that participate in the cost of the dental plan covering the employee's dependents: 17 companies

Average percentage that the company contributes: 71.6%

The following is a general outline of the dental benefits schedules described by some of the companies:

Preventive Care:	Employee is 100% covered after deductible	5 companies
	Employee is 85% covered after deductible	1 company
	Maximum coverage of $300 or $500/year	2 companies
	$25 or $50 deductible	5 companies
Repair or Major Work:	Between 50% and 80% covered	4 companies
	Maximum coverage of $750 or $1,000/year	4 companies
	$25 or $50 deductible	4 companies
	$100 deductible	1 company
Orthodontics:	50% covered	5 companies
	$500 or $750 lifetime coverage	3 companies

Although only 27 companies, or 40 percent of the sample reported that they provide a dental plan to non-exempt employees, this number is high for a benefit that was rarely seen a few years ago. Five companies reported that the cost of this plan is included in their medical coverage. For the remaining companies supplying data, the average cost of the dental plan to the employee (for employee-only coverage) was $ .96 per week; for dependent coverage the cost was $3.19 per week. Of these 27 companies, 21 participate in the employee coverage and 17 of them also provide coverage for the dependents of the employee.

Group Life Insurance - (Table I, Graphs VI,VII,VIII,IX)

Number of companies that offer group life insurance: 54 companies
80.6% of total

Of these 54 companies, the number of companies that use the same eligibility requirements for this coverage as for their medical plan: 46 companies

Number of companies that provide the following amounts of coverage:*

$2,000 to $2,999	15 companies
$3,000 to $3,999	8 companies
$4,000 to $4,999	4 companies
$5,000 to $5,999	10 companies
$6,000 and above	7 companies
Determined according to employee's grade	12 companies
Annual earnings	6 companies
Other	4 companies

*Does not total 54 companies due to multiple answers.

Number of companies that provide group life insurance for dependents of employees: 8 companies

Average coverage for spouse: $1,750
Average coverage for children: $1,537

Number of companies that finance the group life insurance by the following means:

Common carrier	11 companies
Company paid	11 companies
Paid by company and employee	5 companies
Paid solely by employee	2 companies
Included with hospitalization	2 companies
Self insured	1 companies
Trust	1 companies

Eighty-one percent of the sample provides group life insurance, which varies widely in coverage from $2,000 to over $6,000. Twelve companies reported that they base their coverage on the employee's grade and six base it upon the employee's annual earnings. The companies that checked "other" said that group life insurance coverage was based on various multiples of annual earnings or number of years of service.

Accidental Death and Dismemberment Insurance - (Table I, Graphs VI,VII,VIII,IX)

Number of companies that provide accidental death and dismemberment insurance:

42 companies

62.7% of the total

Of these 42 companies:

Number that provide the same amount of coverage as that covered by the group life insurance: 35 companies

Number that provide a different amount than that covered by the group life insurance: 6 companies

This average amount is $14,471. (The median amount is $6,000.)

Number of companies that finance their accidental death and dismemberment insurance by the following sources:

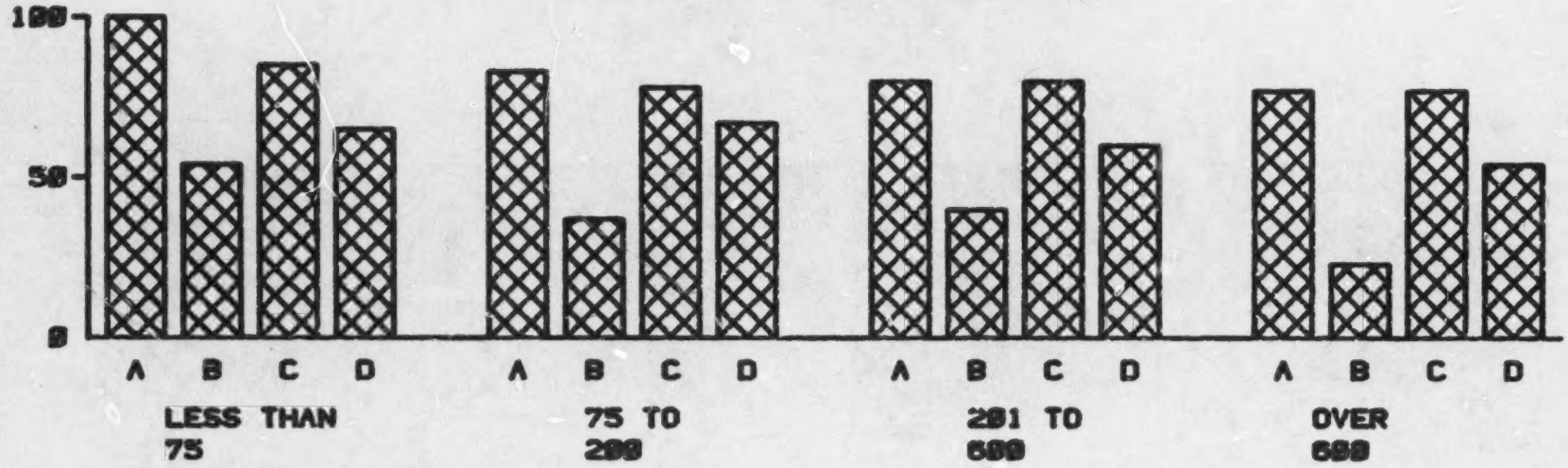
Common carrier	8 companies
Company paid	7 companies
Paid by employee and company	3 companies
Paid solely by employee	1 companies
Trust	1 companies

Of the 42 companies that provide accidental death and dismemberment insurance, 35 provide the same amount as that covered by the group life insurance plan. With regard to how the companies financed their accidental death and dismemberment insurance, none of the companies reported that they were self-insured or that the plan was included in the hospitalization plan.

GRAPH VI

PERCENT OF RESPONDENTS THAT PROVIDE
MEDICAL, DENTAL AND INSURANCE PLANS

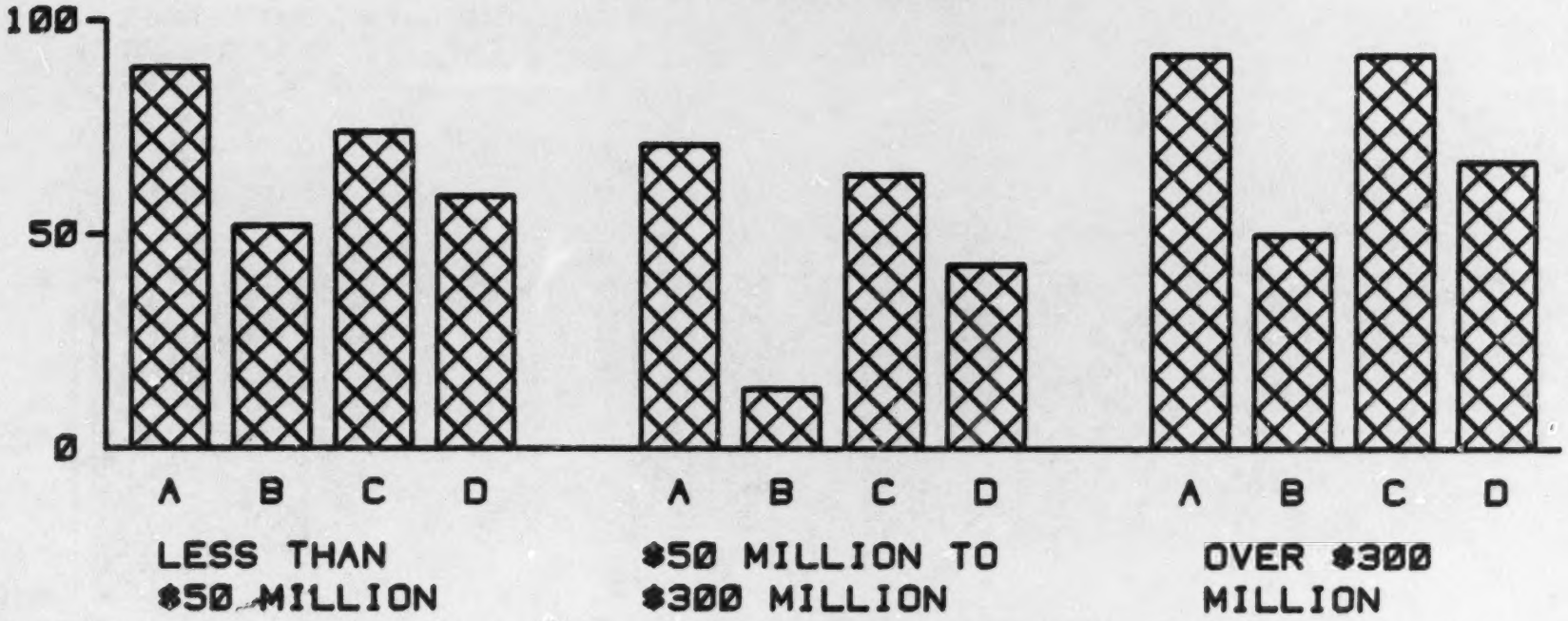
BY NUMBER OF UNITS IN OPERATION



A MEDICAL PLAN
B DENTAL PLAN
C GROUP LIFE INSURANCE
D ACCIDENTAL DEATH/DISMEMBERMENT INS.

PERCENT OF RESPONDENTS THAT PROVIDE MEDICAL, DENTAL AND INSURANCE PLANS

BY SALES VOLUME

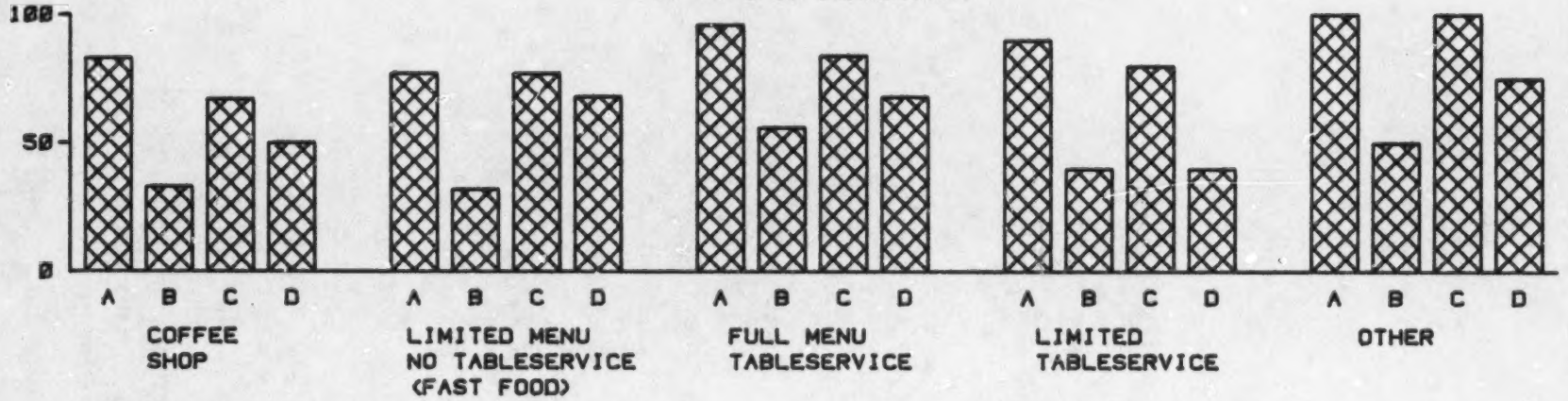


A MEDICAL PLAN
B DENTAL PLAN
C GROUP LIFE INSURANCE
D ACCIDENTAL DEATH/DISMEMBERMENT INS.

GRAPH VIII

PERCENT OF RESPONDENTS THAT PROVIDE
MEDICAL, DENTAL AND INSURANCE PLANS

BY TYPE OF RESTAURANT

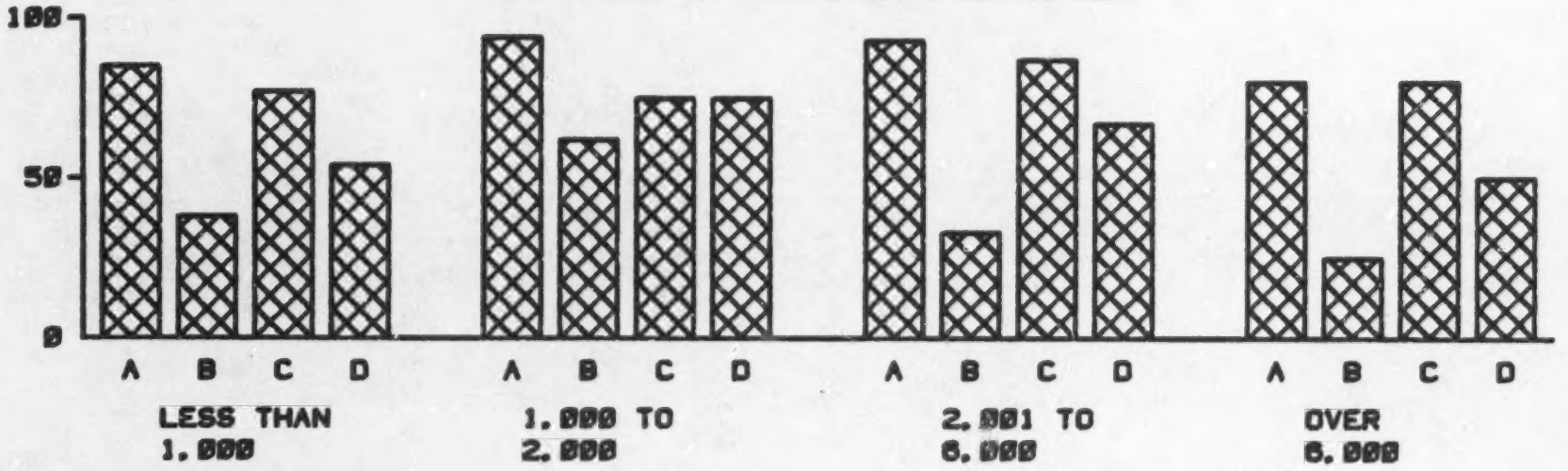


A MEDICAL PLAN
B DENTAL PLAN
C GROUP LIFE INSURANCE
D ACCIDENTAL DEATH/DISMEMBERMENT INS.

GRAPH IX

PERCENT OF RESPONDENTS THAT PROVIDE
MEDICAL, DENTAL AND INSURANCE PLANS

BY NUMBER OF NON-EXEMPT EMPLOYEES



A MEDICAL PLAN
B DENTAL PLAN
C GROUP LIFE INSURANCE
D ACCIDENTAL DEATH/DISMEMBERMENT INS.

Profit Sharing/Thrift Savings Plan - (Table I, Graphs X,XI,XII,XIII)

Number of companies that provide:

A profit sharing plan only:	20 companies
A thrift savings plan only:	7 companies
Both plans:	4 companies

Of the 31 companies that provide a profit sharing plan and/or a thrift savings plan,

Number of companies that:

Require employee contributions: 8 companies

Permit employee contributions: 11 companies

Do not permit employee contributions: 11 companies

Number of years of service required for 100% vesting: mean: 8.6 years

median: 10 years

Of the 31 companies that provide a profit sharing plan and/or a thrift savings plan, 22 companies reported certain eligibility requirements, summarized as follows:

Require:	1 full year of service	13 companies
	3 full years of service	5 companies
Require:	500 hours of service per year	2 companies
	1,000 hours of service per year	7 companies
Must be:	21 years old	6 companies
	23 years old	1 company
	25 years old	4 companies

The most frequently reported (7 companies) vesting schedule is 10 percent per year for 10 years, starting with 10 percent in the first year. Three companies said that although they also require 10 years for 100 percent vesting, the employee is not vested during the first two years but is then 30% vested when three years of service are completed. Nineteen companies provided a variety of partial vesting schedules.

Pension Plan - (Table I, Graphs X,XI,XII,XIII)

Number of companies that provide a pension plan for their employees: 17 companies
25.4% of the total

Of these 17 companies, the number of companies that require that employees contribute to the cost: 1 company

Number of companies that reported the following methods of determining the amount of the benefit:

Flat benefit (same benefit for all employees)	2	companies
Fixed benefit (percentage of employee's salary)	6	companies
Unit system (based on service time and salary level)	7	companies
Assumed benefit target	1	company
Other	1	company

One-fourth of the participating foodservice companies provide a pension plan but only one company requires that the employees contribute to the cost. Eleven companies gave detailed information regarding their eligibility requirements for pension benefits. A summary follows:

Required:	One year of service	7 companies
	Ten years of service	1 company
Required:	That the employee be at least:	
	21 years old	2 companies
	25 years old	6 companies
	32 years old	1 company
Required:	1,000 hours of service per year	6 companies
	2,000 hours of service per year	1 company

Stock Purchase - (Table I, Graphs X,XI,XII,XIII)

Number of companies that provide a stock purchase plan:	10 companies 14.9% of the total

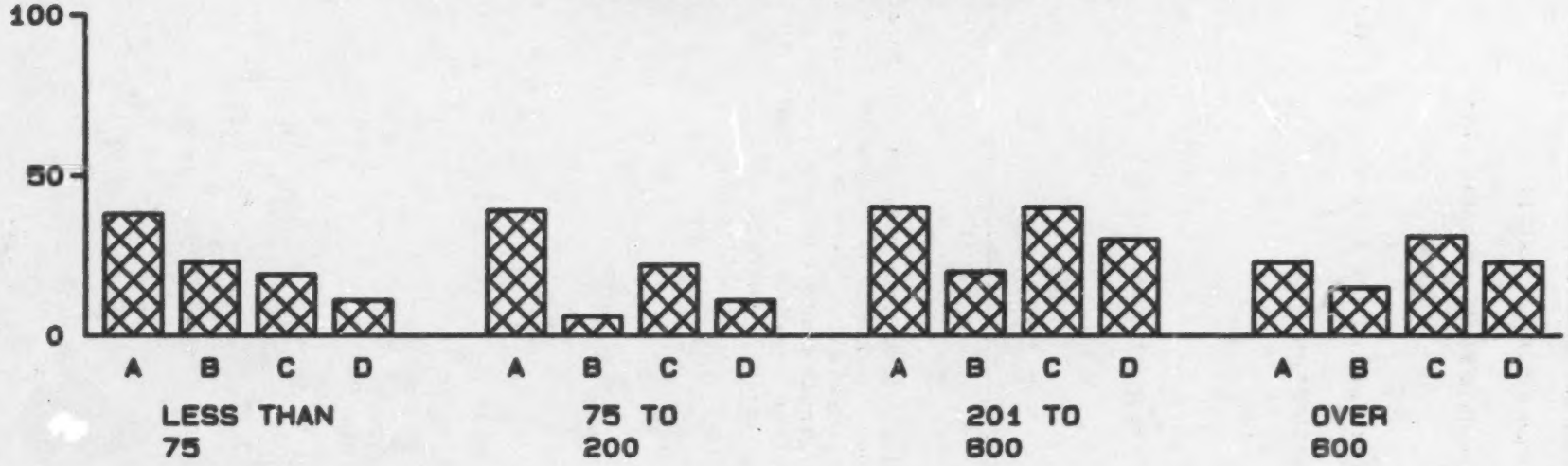
Number of companies that report making the following contributions:

Contribute toward the purchase of stock	5 companies
Pay the initial transfer fee	3 companies
Pay all brokerage costs	5 companies
Offer a discount on the stock purchase price	3 companies
Other	1 company

According to our sample, stock purchase, is the benefit least likely to be offered to non-exempt employees. Of the 10 companies reporting that they do offer this benefit to hourly workers, eight gave detailed information on eligibility requirements. Although the requirements varied slightly, the most typical requirements are that the employee has anywhere from 6 months to 2 years of service, be employed full-time and be at least 21 years old.

PERCENT OF RESPONDENTS THAT PROVIDE A PROFIT SHARING/THRIFT SAVINGS PLAN, PENSION PLAN AND STOCK PURCHASE PLAN

BY NUMBER OF UNITS IN OPERATION

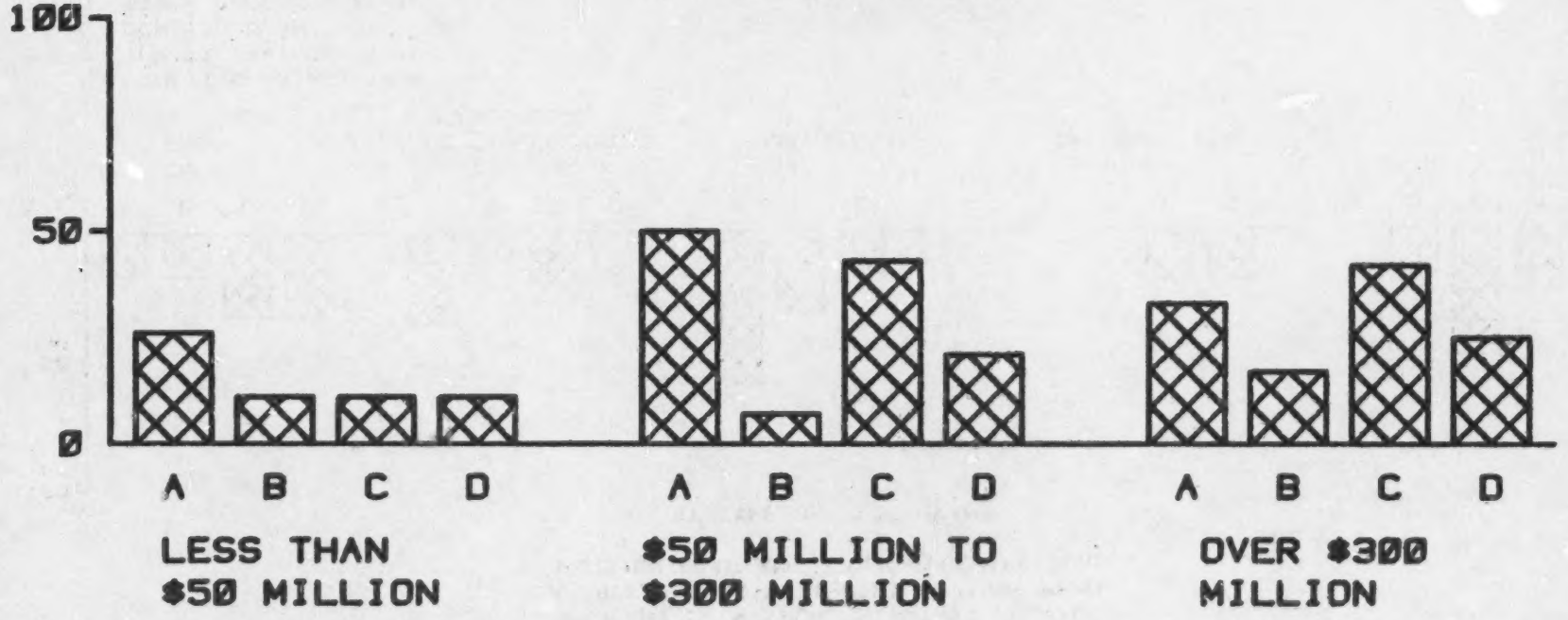


A PROFIT SHARING PLAN
B THRIFT SAVINGS PLAN
C PENSION PLAN
D STOCK PURCHASE PLAN

GRAPH XI

PERCENT OF RESPONDENTS THAT PROVIDE A PROFIT SHARING/THRIFT SAVINGS PLAN, PENSION PLAN AND STOCK PURCHASE PLAN

BY SALES VOLUME

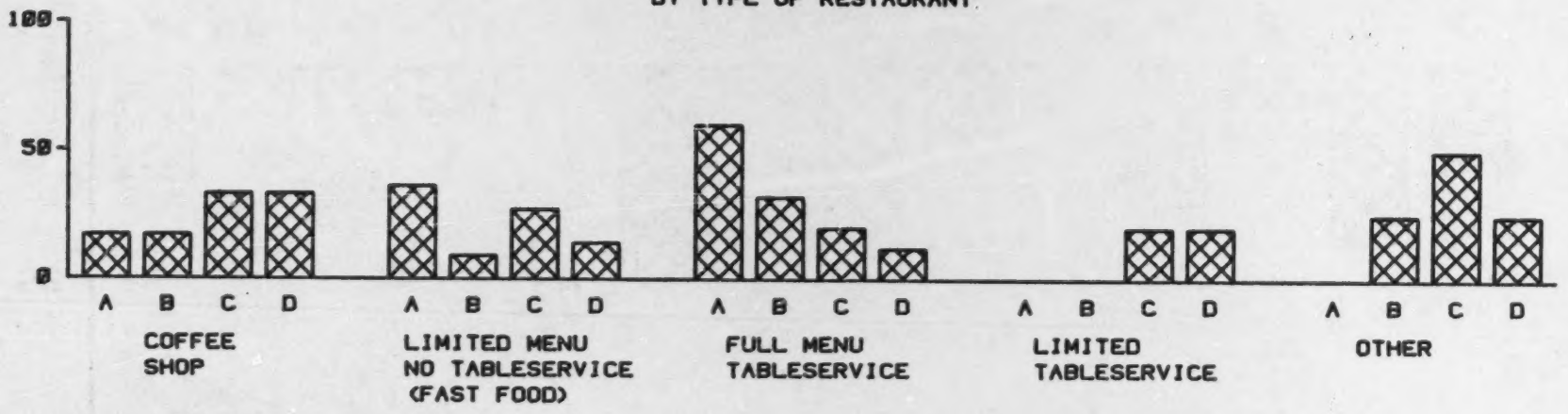


A PROFIT SHARING PLAN
B THRIFT SAVINGS PLAN
C PENSION PLAN
D STOCK PURCHASE PLAN

GRAPH XII

PERCENT OF RESPONDENTS THAT PROVIDE
A PROFIT SHARING/THRIFT SAVINGS PLAN,
PENSION PLAN AND STOCK PURCHASE PLAN

BY TYPE OF RESTAURANT

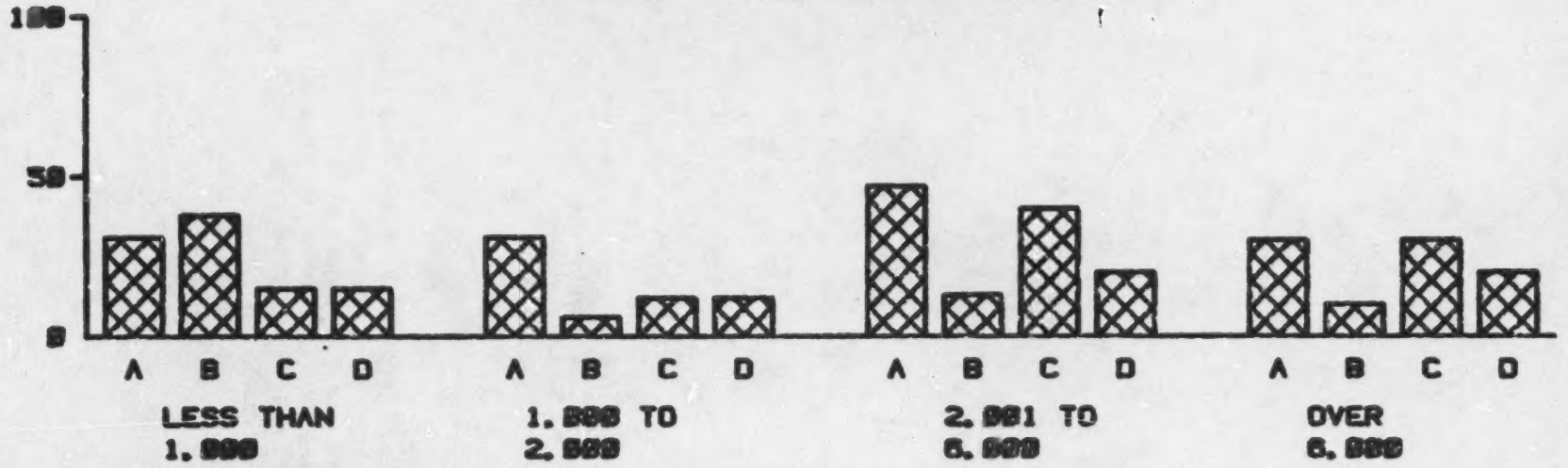


A PROFIT SHARING PLAN
B THRIFT SAVINGS PLAN
C PENSION PLAN
D STOCK PURCHASE PLAN

GRAPH XIII

PERCENT OF RESPONDENTS THAT PROVIDE
A PROFIT SHARING/THRIFT SAVINGS PLAN,
PENSION PLAN AND STOCK PURCHASE PLAN

BY NUMBER OF NON-EXEMPT EMPLOYEES



A PROFIT SHARING PLAN
B THRIFT SAVINGS PLAN
C PENSION PLAN
D STOCK PURCHASE PLAN

Education Assistance - (Table I)

Number of companies that offer assistance to employees with education expenses:

19 companies
28.4% of total

Of these 19 companies:

Number of companies that:	Reimburse 100% of tuition	9
	Reimburse 75% to 99% of tuition	1
	Reimburse 51% to 74% of tuition	5
	Reimburse 50% or less of tuition	2
	Other	2
Number of companies that:	Prepay education expenses	4
	Offer education assistance to dependents	1
	Reimburse employees for all or part of total cost of books	2
	Reimburse employees for any travel expenses associated with education	1
	Have a maximum annual education reimbursement per employee	5

Of the 19 companies that provide education assistance, nine reimburse 100 percent of the tuition costs. Two companies reimburse different amounts depending on the final grade received for the course, with the highest reimbursement given for an "A". The maximum annual reimbursement reported by the five companies having this restriction was a median of $500. The typical requirements necessary to receive education reimbursement are that the course must be job related, that a passing grade must be obtained and that the employee must have approval from the supervisor.

Profile of Contributors

	Number of Respondents	Percent of Total Respondents
1. Type of restaurant which accounts for largest portion of sales:		
Coffee Shop	6	9.0%
Limited Menu - No Tableservice	22	32.8
Full Menu - Tableservice	25	37.3
Limited Menu - Tableservice	10	14.9
Other (including cafeteria)	4	6.0
		100.0%
2. Number of units in operation:		
Less than 75	26	38.8%
75 to 200	18	26.9
201 to 600	10	14.9
Over 600	13	19.4
		100.0%
3. 1981 company-operated restaurant sales:		
Less than $50 million	27	40.3%
$50 million to $300 million	14	20.9
Over $300 million	12	17.9
No answer	14	20.9
		100.0%
4. Number of non-exempt employees:		
Less than 1,000	13	19.4%
1,000 to 2,000	16	23.9
2,001 to 6,000	15	22.4
Over 6,000	20	29.8
No answer	3	4.5
		100.0%
5. Scope of operation:		
Local or several localities	12	17.9%
Regional	17	25.4
National	27	40.3
International	11	16.4
		100.0%

Appendix

[DATE]

[ADR]

Dear [NAME]:

Laventhol and Horwath, an international accounting firm specializing in the foodservice industry, is now in the process of conducting a study for the National Restaurant Association. This study will examine benefit plans for hourly wage employees in the foodservice industry. During the past few years, L&H and the NRA have achieved considerable success and cooperation in producing the annual Restaurant Industry Operations Report and the Executive Compensation and Benefits in the Foodservice Industry (which is due to be published within two months).

We request, therefore, that you complete the attached questionnaire and return it in the enclosed postage paid envelope. As with each of our surveys for the NRA, all information requested will be kept in strictest confidence. A code number has been placed on each questionnaire to determine who has responded and therefore, who should receive a complimentary copy of the study as soon as it is available. This code number and the name of the corresponding company will not be used in any other way and should not inhibit your response.

The last survey on benefit plans for non-exempt employees was conducted for the NRA in 1977. Since then, the NRA has received many inquiries from foodservice operators seeking industry guidelines with which to compare their own practices. Our report will provide this much needed information on most of the various benefits likely to be provided to non-exempt foodservice personnel. All information will be analyzed by type of restaurant, scope of operation, number of units in operation, company-operated foodservice sales, number of employees and region. We anticipate that the completed study will be published during June, 1982.

To date, Laventhol & Horwath and the NRA have found foodservice companies and individual operators to be very cooperative and willing to participate in these confidential surveys designed to help ensure the continued growth and development of the foodservice industry. We ask that you continue this practice and complete the enclosed questionnaire. If you have any questions or suggestions, please feel free to contact us. Thank you for your time and cooperation.

Sincerely yours,

Joan K. Spence
Research Analyst
Research, Development & Education

BENEFIT PLANS FOR

HOURLY WAGE EMPLOYEES

IN THE FOODSERVICE INDUSTRY

1982

GENERAL INSTRUCTIONS

1. Please type or print legibly.

2. Please answer all questions as completely as possible.

3. Please make sure to complete the general profile information on page 2.

4. This questionnaire deals only with the benefits given to non-exempt employees. Non-exempt personnel are those who are employed by the hour and primarily in a nonsupervisory level. When providing information, be sure to include benefits provided to non-exempt employees only.

5. Please return the completed questionnaire in the enclosed postage-paid envelope by March 26, 1982.

Although we have tried to make the questionnaire as easy as possible to complete, we know that your efforts will take time and we thank you very much in advance for your cooperation.

GENERAL PROFILE INFORMATION

1. Type of restaurant which accounts for the largest portion of sales (check one):

Cafeteria - Full Menu	☐
Coffee Shop	☐
Limited Menu - No Tableservice	☐
Full Menu - Tableservice	☐
Limited Menu - Tableservice	☐
Other (please explain)_____	☐

_____

2. Scope of operation (check one):

Operating on a local basis only	☐
Operating in several localities within one or two states	☐
Operating within only one region of the country	☐
Operating within the United States only	☐
Operating internationally	☐

3. Total number of units in operation: _____

4. Total annual company-operated restaurant sales in 1981: $_____

5. Total number of employees in restaurant operations: exempt _____

non-exempt_____

6. In what state is your Central Office located? _____

A. MEALS

Do you provide meals for employees? yes ☐ no ☐

If yes, please check which of the following applies:

Meals are provided at no charge to the employee ☐

Employees are charged for meals ☐

If employees ARE charged for meals, please indicate the amount charged or the percent discount they are allowed (if any): _____

_____

Do you give discounts for non-work-related meals? yes ☐ no ☐

If yes, what percentage discount do you provide to employees? _____ %

B. UNIFORMS

Do you provide employees with uniforms? yes ☐ no ☐

If NO, please skip this section and go on to Section C on page 4.

If yes, do you charge the employees for uniforms? yes ☐ no ☐

If there is a charge or a deposit required by the employee, please describe the the amount: _____

_____

With regard to the cleaning of uniforms, please check one of the following that apply:

You do clean employees' uniforms ☐

You do not clean employees' uniforms but you do provide them with a maintenance allowance for that purpose. Amount of allowance: $_____ ☐

You do not clean uniforms or provide an allowance ☐

Other (please explain)_____ ☐

_____

C. VACATION POLICY

Do you provide your employees with any paid vacation? yes ☐ no ☐

If NO, please skip this section and go on to section D on page 5.

If you do provide vacation with pay, please complete the following chart, showing the amount of service required to qualify for the different amounts of vacation:

Amount of Vacation	Amount of Service Required (months, yrs)	Not Applicable
1 week	_____	☐
2 weeks	_____	☐
3 weeks	_____	☐
4 weeks	_____	☐
5 weeks	_____	☐
6 weeks	_____	☐

Do you permit employees to accumulate unused vacation time and carry this time over to the following period? yes ☐ no ☐

If yes, please explain your policy _____

_____

How do you establish the vacation year? (please check one):

According to: the anniversary date of person's employment ☐

the calendar year ☐

the fiscal year ☐

other (please explain) _____ ☐

_____

Please expain how you compute the amount of paid vacation and what maximum number of hours you use to compute vacation time (if any): _____

_____

Do you have eligibility requirements (i.e. a specified schedule or required number of work hours) for paid vacation? yes [ ] no [ ]

If yes, please check any of the following eligibility requirements that apply:

Employee must be scheduled weekly (no set hours required) [ ]

3 scheduled days per week [ ]

4 scheduled days per week [ ]

5 scheduled days per week [ ]

15 to 20 average hours per week [ ]

21 to 25 average hours per week [ ]

26 to 30 average hours per week [ ]

31 to 35 average hours per week [ ]

36 to 40 average hours per week [ ]

Other (please explain) _____ [ ]

_____

D. HOLIDAYS

Do you offer any holidays with pay? yes [ ] no [ ]

If NO, please skip this section and go on to Section E on page 6.

If yes, what is your policy when one of the normally paid holidays falls on a weekend. (For example, July 4, 1982 is on a Sunday and Christmas Day is on a Saturday.)

_____

_____

Do you pay for holiday time that has been earned by an employee who terminates? yes [ ] no [ ]

Please check all the holidays for which employees receive time off with pay:

	Full Day Off	Half Day Off
New Year's Eve	☐	☐
New Year's Day	☐	☐
Washington's Birthday	☐	☐
Good Friday	☐	☐
Memorial Day	☐	☐
July 4th	☐	☐
Labor Day	☐	☐
Yom Kippur	☐	☐
Veteran's Day	☐	☐
Thanksgiving Day	☐	☐
Friday after Thanksgiving	☐	☐
Christmas Eve	☐	☐
Christmas Day	☐	☐
Other (please explain)_____	☐	☐
_____	☐	☐

E. SICK LEAVE AND OTHER MISCELLANEOUS LEAVE WITH PAY

Do you provide any time off for paid sick leave? yes ☐ no ☐

If yes, please check the policy that you use to determine amount of time off:

An established schedule ☐

An accrual method ☐

An informal arrangement with employee ☐

Other _____ ☐

Please briefly explain the sick leave policy checked above:_____

_____

Do you provide time off with pay for a death in the employee's family? yes ☐ no ☐

If yes, how many days are allowed? _____ days

Do you provide maternity leave with pay? yes ☐ no ☐

If yes, what time period is allowed? _____

Do you grant leave with pay for jury duty? yes ☐ no ☐

If yes, what time period is allowed? _____

Please briefly describe any other miscellaneous time off with pay that is provided for your employees: _____

_____

F. MEDICAL PLAN

Do you provide some type of medical plan? yes ☐ no ☐

If NO, please skip this section and go on to Section G on page 9.

If yes, do you provide a basic, surgical, and major medical plan? yes ☐ no ☐

If you do provide this type of plan, please describe its associated deductibles, benefits, etc. on the following chart for all cases:

Individual Deductible	Maximum Deduction Per Family Unit	Maximum Benefit Per Individual	Co-Insurance Rate (%)	Stop-Pay Cut-Off
$_____	$_____	$_____	_____%	_____
$_____	$_____	$_____	_____%	_____
$_____	$_____	$_____	_____%	_____

Do you provide a comprehensive plan with a prescribed deductible after which the co-insurance rate is applied? yes [ ] no [ ]

If yes, please describe the deductibles, benefits, etc. associated with THIS plan:

Individual Deductible	Maximum Deduction Per Family Unit	Maximum Benefit Per Individual	Co-Insurance Rate (%)	Stop-Pay Cut-Off
$	$	$	%	
$	$	$	%	
$	$	$	%	

Do you offer any other type of medical plan? yes [ ] no [ ]

If yes, please describe this other plan: _____

_____

Do you provide coverage for dependents of employees? yes [ ] no [ ]

If yes, please explain the restrictions associated with coverage of dependents:

_____

_____

Do you require a waiting period before the insurance takes effect? yes [ ] no [ ]

If yes, how many days? _____ days

Do you require a minimum level of work before the insurance takes effect? yes [ ] no [ ]

If yes, what are the minimum hours required? _____ hours

If you have another type of requirement before insurance benefits take effect, please describe: _____

_____

What is the cost of medical insurance to the employee (all types of plans):

For one individual $_____/week

For family coverage $_____/week

Do you participate in the cost of employee-only medical coverage? yes ☐ no ☐

If yes, what percentage does your company contribute? _____%

Do you participate in the cost of medical coverage for dependents? yes ☐ no ☐

If yes, what percentage does your company contribute? _____%

G. DENTAL PLAN

Do you offer a dental plan that covers both employees and dependents? yes ☐ no ☐

If NO, please skip this section and go on to Section H on page 10.

What is the cost of the dental plan to the employee?

Employee coverage only $_____/wk

Family coverage $_____/wk

Do you participate in the cost of the dental plan covering the employee only? yes ☐ no ☐

If yes, what percentage does your company contribute? _____%

Do you participate in the cost of the dental plan covering the employee's dependents? yes ☐ no ☐

If yes, what percentage does your company contribute? _____%

Please describe your dental benefits schedule: _____

_____

H. GROUP LIFE INSURANCE

Do you offer group life insurance coverage? yes ☐ no ☐

If NO, please skip this section and go on to Section I on page 11.

Do you use the same eligibility requirements for this coverage as for your medical plan? yes ☐ no ☐

If no, please explain: _____

_____

Please check the amount of coverage provided by your group life insurance:

- $2,000 to $2,999 ☐
- $3,000 to $3,999 ☐
- $4,000 to $4,999 ☐
- $5,000 to $5,999 ☐
- $6,000 to $6,999 ☐
- $7,000 and over ☐
- Determined according to the employees grade ☐
- Annual earnings ☐
- Other (please explain)_____ ☐

_____

How do you finance the group life insurance provided to employees? _____

_____

_____

Do you provide group life insurance for dependents of employees? yes ☐ no ☐

If yes, please give the amount of insurance coverage provided for employees:

Spouse: $_____
Children: $_____/child

I. ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

Do you provide accidental death and dismemberment insurance? yes [ ] no [ ]

If NO, please skip this section and go on to Section J.

Check if you: Provide the same amount of coverage as that of your group life insurance. [ ]

Provide a different amount than your group life insurance. [ ]

What is this amount? $_____

How do you finance your accidental death and dismemberment insurance?_____

_____

_____

J. PROFIT SHARING/THRIFT SAVINGS PLAN

Check if you provide either or both of the following: Profit Sharing Plan [ ]

Thrift Savings Plan [ ]

If NEITHER are checked, please skip this section and go on to Section K on page 12.

Please check one of the following that apply with regard to either of these plans:

You require employee contributions [ ]

You permit employee contributions [ ]

You do not permit employee contributions [ ]

Please explain your eligibility requirements for either of these plans: _____

_____

How many years of service are required for 100% vesting? _____ yrs

Please explain your policy on partial vesting (i.e. years of service and percent vested amount). _____

_____

K. PENSION PLAN

Do you provide a pension plan for your employees? yes ☐ no ☐

If NO, please skip this section and go on to Section L.

Do you require that employees contribute to the cost? yes ☐ no ☐

If yes, what is the dollar amount or percentage of annual pay that your employees contribute? _____

Please check your method of determining the amount of the benefit (check one):

- Flat benefit (same benefit for all employees) ☐
- Fixed benefit (percentage of employee's salary) ☐
- Unit system (based on service time and salary level) ☐
- Assumed benefit target ☐
- Other (please explain)_____ ☐

_____

Please briefly describe your eligibility requirements concerning pension benefits:

_____

_____

Please describe the pension formula used by your company:_____

_____

L. STOCK PURCHASE

Do you provide a stock purchase plan? yes ☐ no ☐

If NO, please skip this section and go on to Section M on page 13.

If yes, what contribution(s) does your company make? (Check all that apply):

- Contribute toward the purchase of stock ☐
- Pay the initial transfer fee ☐
- Pay all brokerage costs ☐
- Offer a discount on the stock purchase price ☐
- Other (please explain)_____ ☐

Please explain your requirementts for participation in the stock purchase plan:

_____

_____

M. EDUCATION ASSISTANCE

Do you offer assistance to employees with education expenses? yes ☐ no ☐

If NO, please skip this section.

If yes, do you (please check one):

Reimburse 100% of tuition ☐

Reimburse 75% to 99% of tuition ☐

Reimburse 51% to 74% of tuition ☐

Reimburse 50% or less of tuition ☐

	yes	no
Do you prepay education expenses?	☐	☐
Do you offer education assistance to dependents?	☐	☐
Do you reimburse employees for all or part of total cost of books?	☐	☐
Do you reimburse employees for any travel expenses associated with education?	☐	☐

If yes to any of these, please explain: _____

_____

Do you have a maximum annual education reimbursement per employee? yes ☐ no ☐

If yes, please explain: _____

_____

What requirements must an employee meet in order to receive education assistance?

_____

_____